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FRONT COVER

Canadian Wheat

Canada is one of the four exporting members of the International Wheat Agreement, which is now going into its third year of operation. (Photo courtesy National Film Board of Canada.)

BACK COVER

Membership in International Wheat Agreement 1951-52

Forty-five countries have subscribed to the International Wheat Agreement, bringing about two-thirds of the world's trade in wheat and flour under the Agreement.

NEWS NOTES

Foreign Visitors

The Office of Foreign Agricultural Relations continues its role as coordinator of agricultural training activities of foreign technicians, students, and trainees coming to the United States for study or observation. During the past fiscal year the Office handled about 2,800 of these visitors, most of whom came to this country for periods ranging from a few weeks to a whole year. Training programs, itineraries, and travel were arranged in cooperation with other agencies, both Government and private, and with the State land-grant colleges and universities.

In the hands of OFAR lies primary responsibility for the agricultural training programs of visitors arriving under exchange projects of the Department of State, the Economic Cooperation Administration, and the Army. Last year these programs included 65 students and trainees sponsored by the Department of State under the Point Four program, 142 Germans and Japanese who came to this country under legislation authorizing educational exchange programs for occupied areas, and 782 trainees brought to the United States under technical assistance projects of ECA. In addition, OFAR planned training programs and itineraries and provided other administrative assistance for about 1,800 visitors who either financed themselves or were sponsored by their own governments or by international organizations.

The Office cooperated with the Extension Service and agricultural officers of the United States Foreign Service in arranging for exchanges under the International Farm Youth Exchange, sponsored by the Cooperative Extension Service. For the summer of 1951, exchanges were arranged for 58 United States youths to live and work on farms in foreign countries, and for 40 young foreigners to live and work on American farms. Steps also were taken to expand the program by as many as 25 exchanges during the calendar year 1951.

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FOREIGN AGRICULTURE ALICE FRAY NELSON, EDITOR

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International Wheat Agreement —Its Second Year

by GORDON P. BOALS

Another milestone has been passed in the operation of the International Wheat Agreement. July 31, 1951, completed the second year of the Agreement and marked the halfway point of its 4-year term. High spots of the year were gains both in membership and in quantities of wheat moving under the Agreement; a high rate of fulfillment of import quotas, with many countries making forward purchases of their Agreement quantities; and a marked stability in wheat prices compared with the prices of most other commodities moving in world trade.

Adjustments in Agreement Quantities

Guaranteed purchases and sales under the Agreement have shown some marked changes. When the Agreement was negotiated, early in 1949, the total of guaranteed purchases and sales was 456 million bushels among 37 importers and 5 exporters. At the end of the first year it had increased to 525 million bushels as a result of importer accessions and increases in guaranteed quantities. At the end of the second year it stood at 562 million bushels, with 41 importing members and 4 exporting.[1]

Though Japan's membership was not effective until August 1, 1951, the beginning of the third year of the Agreement, it is significant that Japan's application was approved in June and the instruments of ratifications were deposited on July 23. The guaranteed purchase quantity for Japan is 500,000 tons (18.4 million bushels), which raises the new total under the Agreement to 581 million bushels, with revised exporter totals at the beginning of the third year standing at 88.7 million bushels for Australia, 233 million for Canada, 4.1 million for France, and 255 million for the United States.

Further changes in Agreement quantities seem likely to be limited unless additional exporters accede. This situation results from the high proportion of the total present export availability now in the Agreement for Australia, Canada, and France and the subsidy costs on Agreement wheat for the United States. Importing countries have requested further substantial increases in their guaranteed quantities, totaling approximately 50 million bushels at the end of the second year. No action can be taken on such requests, however, until additional supplies are offered under the Agreement by exporting countries.

Sales and Purchases Under the Agreement

The record of Agreement sales and purchases during the second year was notable both for the high ratio of implementation and for the extent to which forward purchases were made. Only a few importers did not purchase their guaranteed quantity in full, and most of these came very close to doing so. The same high performance applied to the exporters: only Canada had any significant quantity unsold. Had it not been for certain problems of transportation and for the fact that a large part of the Canadian crop was of low grade, owing to frost damage in 1950, it is believed that a still higher ratio of sales and purchases might have been attained. Of the total guaranteed quantities under the Agreement during 1950–51, amounting to 562 million bushels, recorded sales were 531 million bushels, or more than 94 percent.

The United States quota was filled in March, more than 4 months before the end of the season. No doubt it would have been exhausted as early as February had not sales been suspended for about a month as a result of the avalanche of orders being placed by importers at that time.

Australia and France also had sold the bulk of their Agreement quotas by midseason. Important factors stimulating forward purchases were the unsettled world situation, higher prices for non-Agree-

[1] More detailed information on sales and purchases can be had by applying to the Grain Division, International Commodities Branch, OFAR.

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TABLE 1.—*Changes in guaranteed purchases and sales under International Wheat Agreement, 1950–51* [1]

Member countries	In effect as of July 31, 1950		Revised as of July 31, 1951		Change
	1,000 metric tons	*1,000 bushels*	*1,000 metric tons*	*1,000 bushels*	
Importers:					
Ceylon	120	4,409	180.0	6,614	Adjustment.
Costa Rica	30	1,102	33.0	1,213	Adjustment.
Dominican Republic	20	735	23.8	876	Do.
Egypt	240	8,818	400.0	14,697	Do.
Guatemala	10	367	25.0	919	Do.
Honduras	—	—	10.0	367	Accession.
Iceland	—	—	11.0	404	Do.
India	1,042	38,287	1,500.0	55,116	Adjustment.
Indonesia	—	—	100.0	3,674	Accession and adjustment.
Mexico	250	9,186	350.0	12,860	Adjustment.
Netherlands	750	27,558	675.0	24,803	Do.
Nicaragua	8	294	9.0	331	Do.
Portugal	140	5,144	153.0	5,626	Do.
Spain	—	—	119.0	4,373	Accession and adjustment.
Venezuela	130	4,777	170.0	6,246	Adjustment.
Exporters:					
Australia	2,199	80,779	2,414	88,700	Do.
Canada	5,582	205,103	6,031	221,592	Do.
France	91	3,344	111	4,089	Do.
United States	6,419	235,858	6,754	248,164	Do.

[1] For changes in quantities during 1949-50, see *Foreign Agriculture*, October 1950, or Foreign Agriculture Circular FG 15-50, October 4, 1950, both of them statements about the first year of the Agreement.
[2] Included Indonesia (75,000 tons) during the first year. Then Indonesia acceded as a separate member.

ment wheat, and the general realization by importers that Agreement wheat had current advantages for them, particularly after further quota increases appeared doubtful.

Wheat Prices and Other Commodity Prices

The story of world commodity prices during the past 2 years, particularly since the outbreak of the Korean war in June 1950, is largely a story of wide fluctuations. Price increases of 100 percent have been common and prices of some commodities have increased several hundred percent. Wheat stands almost alone among the major world commodities as a commodity that has undergone a relatively limited change in price.

The stable basic maximum price for Agreement wheat appears unique among commodity prices and, it is believed, has contributed significantly toward safeguarding the budgetary positions of importing countries. If wheat had increased in price as rubber or even wool, few importing countries would have escaped a budgetary crisis and the need to impose strong controls on trade and consumption. Besides, efforts to increase self-sufficiency would probably be well-advanced by this time.

On the other hand, this price stability for Agreement wheat, which to date has favored importing countries so much, has presented certain problems to exporting countries. There seems to be little doubt that they could have sold much of their Agreement quotas at somewhat higher prices and gained current income benefits. The United States, in particular, has had greatly increased costs in connection with the higher priced commodities that it must import, at the same time that it has had to make subsidy payments to help stabilize the price of wheat exported under the Agreement.

Other Developments

The Council met three times during 1950–51. The first regular session of the year was held in Geneva in October 1950; the next was held in London in June–July 1951; and a special session was held in London at the end of July. The special session was called to discuss uniform carrying charges to be effective on sales by exporters during 1951–52.

A full-time chairman was elected for the third year in view of the prospective increase in Council activities. The Executive Committee continued to handle most current Agreement matters at its weekly meetings. Relatively few issues concerning price equivalents arose during the second year of operation. Questions on transactions and implementation of quotas accounted for much of the work before the Executive Committee and its working parties.

General Observations

After 2 years of operation, there are certain observations about the Agreement that may be made.

1. Administratively the Agreement appears to have operated as well as its friends hoped and much better than its early critics believed possible. The recording of purchases and sales, a basic feature of administering the contract type of agreement, has been handled promptly and efficiently with few mechanical difficulties. Most problems have been associated with the import-control procedures of some importing members. Exporting members have done a particularly effective job of administering the program in their respective countries.

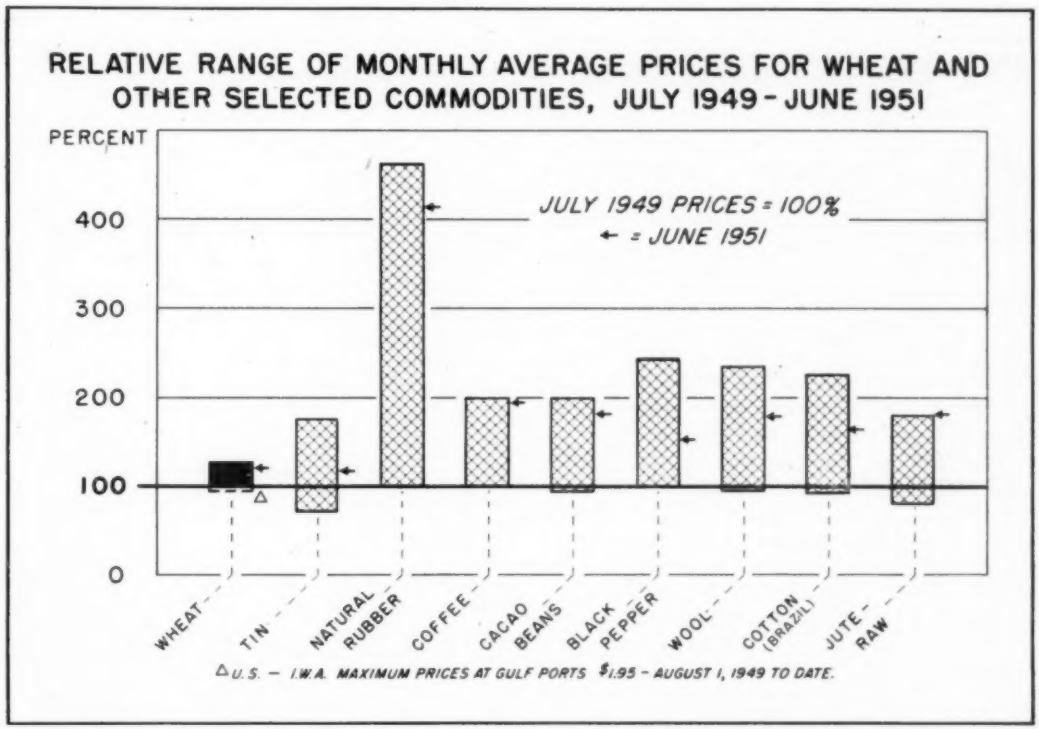
2. The quantity of wheat and flour moving under the Agreement—and the share that it represents of total world trade—has increased considerably. The net gain of 125 million bushels between July 1949 and July 1951 has brought the total quantity under the Agreement from a little over half of the estimated world trade in wheat and flour to approximately two-thirds. This increase seems to reflect two significant developments: the price advantage of

Agreement wheat for importing countries, and the increasing concern about assured supplies for importers and assured markets for exporters.

3. The Agreement has postponed and possibly averted an intensive self-sufficiency drive in many importing countries. The total wheat area in importing countries of Western Europe has shown almost no change during the past 2 years, whereas in previous years it had shown a series of increases. The widespread devaluation that occurred in most of these countries in September 1949, only a few weeks after the Agreement became effective, normally could have been expected to increase greatly the cost of imported wheat and thus give domestic wheat programs a "shot in the arm." Agreement prices, however, virtually offset the adverse effect of devaluation on imported wheat, especially wheat from the dollar area. The continuing problems associated with east-west trade in Europe also would have been likely to encourage more self-sufficiency programs in many countries had not an assurance of supplies at a fixed maximum level of prices from Agreement exporters been in prospect.

4. The Agreement has cost exporters somewhat more than was expected, particularly during the second year of operation. This is so because of the wide spread that has prevailed between the Agreement maximum and the level of free-market and support prices in exporting countries. The Korean war, the Indian food crisis, the rise in the United States price level, and the active purchases of grain for shipment—all have been price-strengthening factors. Even so, wheat has shown a remarkable price stability compared with most other world commodities. Had a similar agreement existed for some of the other import commodities, there would have been compensating gains for exporter losses on wheat, along with a wider stability of price for commodities. Fixed agreement prices in a period of world inflation or of wide fluctuations in price, however, is a matter that is likely to receive special consideration in any future contract agreements.

5. Many of the results of the Agreement should be viewed in a longer perspective. The present Agreement covers a 4-year period, and it is al-



ready apparent that some of the results of the Agreement will probably extend beyond that time. Many questions can be fully evaluated only after a period of time—questions, for example, that relate to the volume of import or export trade among member countries. Even questions of price advantages to importers or exporters need to be considered beyond a single year, owing to the marked changes in commodity situations that can occur from season to season.

After a recent trip through many countries of Europe, the Secretary of Agriculture commented that "the IWA has done much more than was thought possible when it was negotiated. It has helped the United States to bridge the gap between a domestic support program and wheat from other sources; it has enabled importing countries to plan their agricultural production on a broader and sounder basis than concentrating on wheat and developing nationalistic programs; and it has done much to link countries of the free world and strengthen trade ties between them. I was interested to find that local wheat prices in most importing countries I visited were below those in the United States notwithstanding the less favorable conditions for production in most countries. Were it not for the IWA, imported wheat would exceed the cost of local wheat, and how long do you suppose we could expect to export our surpluses under those conditions? The United States has a big stake in the export market today. We have been exporting the production from about 24 million acres in recent years, or about one-third of our total wheat area. If we were to make a cut-back of that size in our domestic wheat production, the impact would be of sizable proportion not only on the wheat farmer but on United States farm production and on the whole economy."

Aspects of the World Food Situation*

by J. H. RICHTER

When we reflect on the world food situation or the state and prospects of the markets for the basic foodstuffs and feedstuffs, some of the conclusions implicit in such consideration will no doubt refer to the agricultural policies and developments we should favor in the various countries of the world. While I shall say nothing about any details of such policies, I propose to lift, from a mass of statistics and other information, a few simple considerations that should have a bearing upon such policies. *My contention is that the present world food situation calls for larger, not smaller, production of the basic foodstuffs and feedstuffs; and I shall argue that market developments in prospect are unlikely to prove an impediment to such an aim.*

Population is increasing in all parts of the world. Where food consumption is low, in quality as well as in quantity, improvement must mostly come from increases in domestic output. In Europe, similarly, improvements in food consumption depend largely on the countries' capacity to produce more themselves; in addition, large food and feed imports will continue to be required. The physical need for supplies from the surplus countries will, therefore, remain and is also likely to be supported by effective demand. There is no serious price crisis in sight so far as I can judge, and most of the facts of the present situation would tend to support the belief that general overproduction need not be feared for the next several years. Naturally, if the international situation grows much worse, or if we actually get into a third world war, predictions that we make today will be largely invalid. It would seem reasonable to assume, however, that, in such a case, surpluses in some parts of the world would be matched by grave shortages in the deficit areas. On the other hand, if international tensions were really to subside, the bullish and bearish factors that would be inherent in such developments should

* Based on a paper presented by the author at the 24th annual meeting of the Western Farm Economic Association, July 1951.

just about balance. While specific incentives to stockpiling in the deficit countries might be lessened and shortages of production factors would be unlikely, capacities for consumption may well rise in the world's traditional food- and feed-importing area, Western Europe.

Among the more general considerations that make me believe that international markets for agricultural products for some time to come will not be threatened by a serious price crisis is the stabilization consciousness of governments who have added to their knowledge of controlling economic fluctuations, especially deflation. Also, the delicacy of the balance in the markets of agricultural products that we had reached in 1949-50, for example, has taught governments a lesson. In mid-1950, these markets changed almost overnight from an apparent surplus to a near deficit position without any abrupt change in world production prospects. This experience should help us realize that nations may greatly benefit in terms of national independence and security, economic stabilization, and political influence throughout the world if they would hold or accumulate buffer stocks of much larger size than they did in the past. The further thought that the possibility of natural catastrophes is certainly not excluded for the future should also make the nations conscious of the need for adequate reserves. Reserves of a magnitude that would afford ample protection do not now exist. Their absence is thus a factor of underlying strength in the markets for agricultural products.

Another condition that in a general way may tend in the same direction is the greater present dependence of agricultural output, especially in America and Europe, on the supplies of industrial means of production: commercial fertilizer, chemicals for the control of diseases and pests, farm machinery and tractors, as well as fuel and electricity. Any large-scale diversion of factors of production, including labor, to defense, or international developments reducing the supply of critical raw materials, could hardly remain without influence on agricultural output in some areas.

Turning to more specific factors that should influence the markets for the basic foodstuffs and feedstuffs, I venture to count the preponderant position that the United States has acquired as an exporter of grains and fats and oils since World War II. It is well realized that if a substantial share of world exports is supplied by one single source the effects of crop failure in that particular area would be drastic indeed. This knowledge of vulnerability of world export supplies is of course a factor in the market situation.

In the past two consumption years, 1948-49 and 1949-50, the United States supplied fully 45 percent of total world shipments of wheat, 35 percent of total world shipments of coarse grains, and 15 percent of total world shipments of fats and oils. This represents a very great expansion compared with the 1930's or even the 1920's, when American exports of grains were sharply on the decline and when the United States was a net importer, not a net exporter, of fats and oils. Our crops have been favored by weather conditions for the past 10 years, and prospects for 1951 production are again favorable; we cannot, however, count on such a situation for all time to come. The carry-over of corn this year will be reduced compared with that of last year, and corn production at the favorable average yields of recent years is hardly in excess of current requirements of our own livestock industry. Only if consumer buying power in the United States were to decline drastically would such a corn output result in substantial surpluses. In that case, output would no doubt be restricted. A drastic decline in consumer buying power in the United States is, however, unlikely.

Quite generally it should be noted that, as Professor DeGraff has pointed out, the great increase in United States food output from the late 1930's up to 1944 was to a considerable extent due to exceptional circumstances, not likely to be repeated.[1] It was out of this increase that the United States supplied so much to the rest of the world. For the past 6 years, total food production in this country has hardly exceeded the level attained in 1944. The margin between output and domestic needs for the growing population has thus declined, and so have food exports over the past 2 or 3 years. The United States cannot, therefore, expect, and the rest of the world cannot count on, a permanent United States export of current magnitude.

Canada's position as a large exporter of grains

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[1] This fact was pointed out by Professor Herrell DeGraff on several occasions, one of which was a talk at Cornell University, Mar. 22, 1951.

basically has shown little change over the years and is about the same as it was before the war. In the Southern Hemisphere, Argentina has reduced its production and export of agricultural products to a measurable extent, as a result of the expansion of the industrial sector of its economy. It is possible that agricultural exports, notably corn and wheat from Argentina, will stage a comeback—but this is likely only if a favorable price situation in world markets continues and even then is not certain. Australia has regained its prewar grain export level and may experience some further expansion in the production and export of feed grains, which is being promoted by British efforts. Exports of livestock products are on the decline owing to the rapid increase of the population in that country. This downward movement is not likely to be quickly arrested despite the existing schemes for expanding production for the British market that have been put into operation.

When we look at the immense area in the Far East, with its mass of people, we find that the production of basic foodstuffs there since prewar days has, if anything, declined, whereas population has grown at a rapid pace. Before the war, that area supplied to the rest of the world a net surplus of rice, whereas it is now an importer of cereals to the tune of several million tons. The region before the war exported on a net basis the equivalent of 2½ million tons of fats and oils and more than 3 million tons of oilcake; its present surplus is no more than 1 million tons of oil and less than ¾ million tons of cake. The larger consumption of oil within the area partly compensates for the reductions in the cereal supply. It is true that much can still be done to raise agricultural productivity—for example, rice yields in areas like Burma, Siam, and Indo-China—but it is not likely that these countries will make large and precipitous strides toward such an increase. Japan, of course, remains a deficit area for large quantities of grains, fats, and sugar. India, as we all know, has a considerable deficit of grain this year and will continue to require large imports. There are other areas in Southeast Asia that need imports of grain.

The food situation in the Far East as a whole, therefore, would point to continued deficits for the next several years. It is probable that these deficits will to some extent continue to be translated into effective demand. Rising incomes from raw material exports have strengthened the international buying power of these areas, which is also being supplemented by special loans or other aid.

The enigma that the Soviet Union and its East European satellites represent is unlikely to become a big factor, in the near future, as far as agricultural markets are concerned. Their shipments of grain, sugar, and livestock products to Western Europe—much below prewar—are not likely to exceed the proportions of recent years. They will, in any case, be determined, not by economic factors alone, but predominantly by political decisions. The potential agricultural surpluses in these areas have, on balance, been reduced by the political changes that have occurred: transfers of population; collectivization or other impediments to increasing or maintaining efficiency of farm production; and industrialization.

The Soviet Union itself is by no means a potential surplus area for foodstuffs, and if the existing plans for an increase in the depleted supply of livestock products are to be actually pursued, no conceivable increase in productivity could compensate for the additional requirement in output from the soil for feed uses as well as for general population increase.

In Western Europe, some further expansion of agricultural production is as likely as is continued growth of population and the resulting increase in requirements. Barring the development of shortages in fertilizer and other chemicals and labor as a result of greatly stepped-up defense, output should continue to increase at a modest pace, accelerated or retarded, depending upon the extent to which farmers avail themselves of the possibilities of further technological progress. Such progress—that is, increases in productivity—would be the soundest source of profit and therefore of economic incentive for further expansion in production. The growth of livestock output, whose prices greatly depend on the trend in consumer buying power, will hinge on the development of general economic conditions. To live within its means, Western Europe must further expand general production and may not be able to expand consumption proportionately for some time to come, especially if requirements for investment and defense go up. In such a situation, further increases in agricultural output would tend to be more pronounced for the products of the soil than for livestock products. This possible influence of general economic conditions could be mitigated or neutralized by technological improvements, such as in feeding practices and in grassland management,

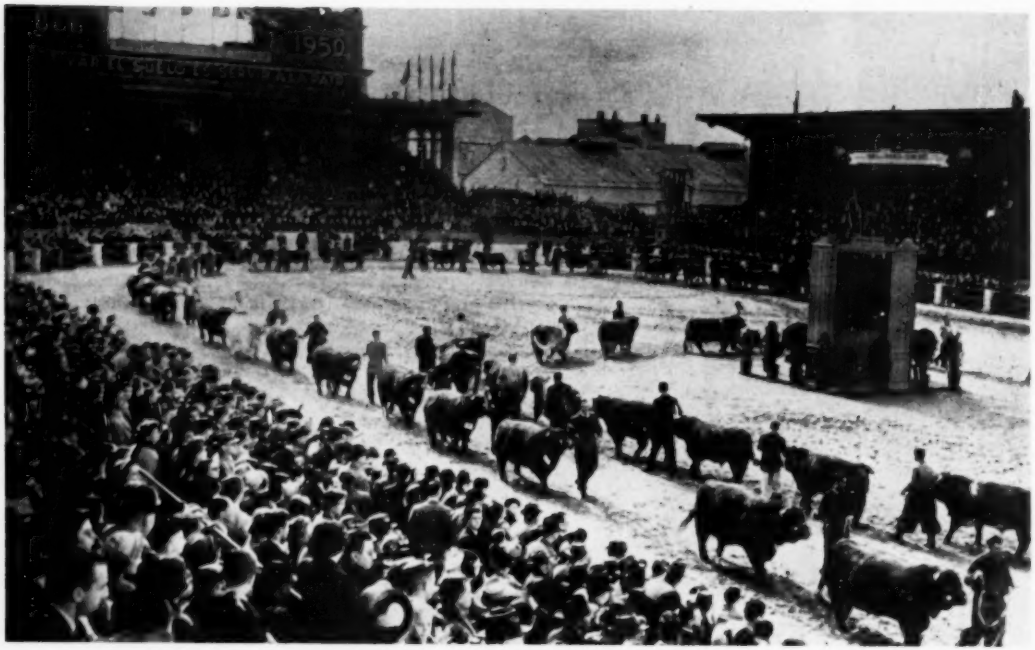
which would save resources and thus reduce costs.

Food output and food requirements in Africa and in the deficit areas of South America are unlikely to show significant and abrupt changes in the near future. Conditions in these countries will probably not develop into big market factors over the next few years.

Looking at the world situation in a more composite way, we may note that in the case of no major product, excepting sugar, has the world's supply reached the prewar level if considered in relation to its growing population. Supplies for consumption are even more unevenly distributed than they were before the war. In some areas, including the United States, people eat better than they did 15 years ago; probably half of the people of the world, however, do not eat as well. We should not take alarmist views of international food prospects nor think that diets are inferior or inadequate because they differ a great deal and may not appeal to the Western palate. But it is obvious, even to unsentimental and realistic consideration, that there is much need as well as room for improvement in living standards in many parts of the world. For hundreds of millions of people, these standards mean mainly food and even at their present low level are insecure and precarious. It is true, of course, that political instability, civil wars and worse than that, and the threat of a major disaster are not the climate in which peaceful efforts at economic and spiritual advancement flourish and succeed. But it is a measure of the magnitude of the problem to realize that, even if we had a peaceful world, there would still not be enough food produced to feed all the world's population at tolerable standards, to secure a reasonable expectancy of life. Some of the difficulties do not lend themselves to simple solutions. In some areas the ratio of resources—or of the conceivable progress in their development—to population (or to the related growth of population) is so inadequate that little hope for rapid improvement would even then exist. And surely it is difficult to see how the billion people in Asia could feed themselves more adequately from resources other than their own agricultural production. Where, in other parts of the world, are the agricultural areas that could undertake such a job? How could other resources and skills in the Far East be developed to such an extent as to pay for large-scale food imports?

In many countries, however, and to some extent even in those overpopulated areas, much could be accomplished by greatly increased exchange, among the nations, of goods and services and of technological skill and learning. We have already made some progress in this direction and there is hope that it will be continued and expanded. I should like to end on this note and with a reminder to all of us of a simple truth of economic logic and experience. We all know it well and it almost seems commonplace to reiterate it. But economic and political policies in many cases display a curious disregard for the evident. And so it should be said again and again: we cannot hope for the people of the world to attain a better life, unless we produce more and more efficiently; we cannot produce more unless we gain or maintain and permit peaceful access to complementary resources located outside each country's national borders; and we cannot gain or maintain or grant such access and make the best use of resources unless we trade more with each other and exchange our skills and learning throughout the world.

Loading lard in Iowa for shipment abroad. The U. S., two decades ago a net importer of fats and oils, is now a substantial exporter of these commodities.

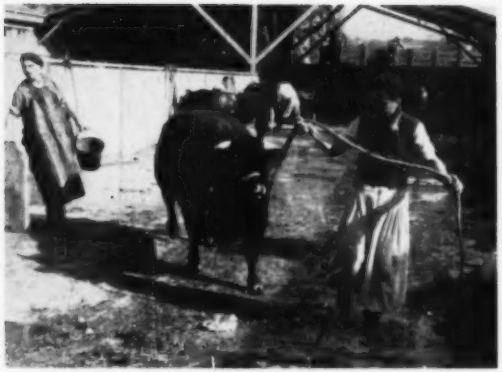


Argentina's Palermo Exposition

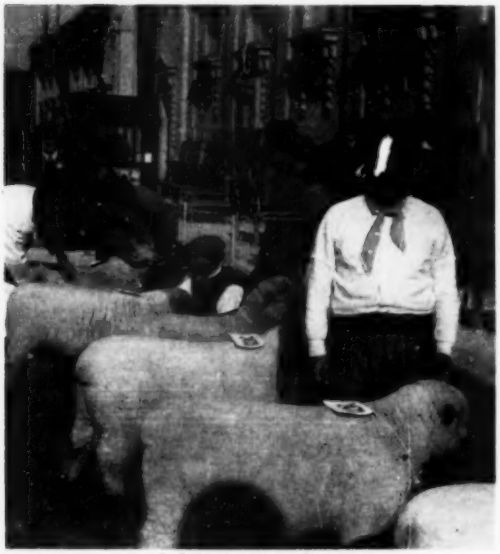
Grooming Hereford cattle for the judging.

Interest in saddle horse classes is high.

Prize Aberdeen-Angus bull.



Shorthorn bull, groomed for the judging ring.



Judging mutton sheep.

Rams bred for wool production.

Argentine livestock breeders meet each fall to exhibit their prize stock at the Palermo Exposition in Buenos Aires. This internationally famous stock show is sponsored by the Rural Society of Argentina.

Competition is keen and the placing of winners by foreign and local livestock judges is critically observed by the Argentine people and foreign visitors.

At the auctions held after the judging, breeders may bid for the livestock offered for sale. Although the traditional focal point of the auctions is the sale of the champion Shorthorn bull, the Aberdeen-Angus champion has brought the top price during the past few years.

Holando-Argentino cattle, the chief dairy breed.

Collectivization Along the Danube

by PAULINE McD. MICHAEL

All along the Danube—in Bulgaria, Yugoslavia, Hungary, and Rumania—the Communist Governments are driving toward complete collectivization of agriculture. They follow more or less closely the pattern already set up in the Soviet Union, organizing two kinds of farms: the more important collective, or "cooperative" farm, in which the peasants pool their holdings and operate them under Government supervision; and the state farm, which the state owns and operates with hired labor.[1]

The degree of collectivization is usually measured in a two-fold manner: by the proportion of tillable land in collective and state farms and by the number and percent of peasant households that have joined the collectives.

Thus measured, at the end of 1950 Bulgaria ranked first among the four countries; Yugoslavia, second; Hungary, third; and Rumania, last. In all four countries the drive for collectivization continues.

Bulgaria

In Bulgaria one of the early acts of the Communist-dominated Government was to pass a land reform bill, in March 1946. It limited the tillable land for each holding to 49 acres in old Bulgaria and to 74 acres in the Dobrudga. Except in the Dobrudga, which had had fairly large estates, the reform was of little significance.

Of the four countries, Bulgaria least needed reform after World War II: a major land reform had occurred in 1890, some time after the country was liberated from the Turks. Statistics for 1934 indicate that just 1 percent of the holdings were larger than 49 acres, comprising only 8 percent of the cultivated land. The majority (72 percent) of the holdings were between 5 and 49 acres, comprising 87 percent of the cultivated land; and 27 percent had less than 5 acres, comprising 5 percent of the land.

Fragmentation was high. The average holding consisted of about 13 scattered strips. One objective of the new regime was to consolidate these many plots into large farms under a collective system.

In April 1945, before the land reform, a law was published sponsoring Labor Cooperative Farms (LCF). Even before this law was passed, 147 of these farms had been organized.

The law of 1945 and supplementary bylaws passed in 1950 provide that every farmer over 18 years of age may become a member. (Kulaks[2] have been banned since early 1949.) Each member is obliged to make an initial contribution of cash or property, which is to be credited to the capital fund of the LCF. He is permitted to retain a plot of 0.5 to 1.2 acres but must turn over his implements and productive animals to the LCF without reimbursement. He may, however, keep small agricultural tools, certain livestock, a few beehives, and unlimited poultry.

The scattered plots owned by members of the LCF are consolidated and boundaries eliminated. An owner loses title to his land when he becomes a member. If, however, after 3 years, he decides to leave the cooperative, he receives land situated on the margin of the cooperative area equivalent to his initial contribution.

Except at harvesttime, when extra help may be hired, all work is done by members and their families. Each worker receives credit in "workdays," being credited with a fraction of a day for light jobs and more than a day for jobs requiring special skill.[3] The total number of workdays for the whole LCF is determined for the year. This number is divided into the quantity of all crops and cash available for distribution; the quotient is the value of a workday. At the end of the year each member is paid in kind and in cash according to his workday credit.

These provisions for payment of members are practically the same as in the kolkhozy (collective farms) of the USSR, except that in Bulgaria members are to be paid rent for their land.

The distributable income of an LCF is determined as follows: First, deductions are made from gross

[1] See James O. Howard, "Communist Formula for Land Reform," *Foreign Agriculture*, March 1951 and Lazar Volin, *Survey of Soviet Russian Agriculture*, Monograph 5, U. S. Department of Agriculture, 1951.

[2] "Kulak" is a Russian word meaning "fist" that is applied to farmers in better than average circumstances but that has also been used to designate all those who are even suspected of opposing the Communist agrarian policies.

[3] A workday is calculated for each type of work on the basis of a model norm.

production for compulsory deliveries to the state, for the return of borrowed seed, for payment in kind to the Machine Tractor Stations, for feed and fodder supplies, and for paying bonuses to members who have produced in excess of the norm. Quantities also are set aside for sale on the free market. From what remains, 90 percent goes to the members for labor and land rent, and 10 percent is set aside for various funds of the Farm. Taxes, insurance, interest, and current expenses are paid from the cash earnings of the produce sold on the free market and from deliveries to the state. Any remaining cash is distributed in the same way as the produce: 90 percent to members; 10 percent to various funds.

Numerous incentives have been offered to induce peasants to join the LCF, especially since 1948. Among them are exemption from certain taxes, more consumer goods, and even nonexpropriation of agricultural machinery.[4]

During 1949 the song of "voluntary" membership in LCF, which had been chanted from the beginning, continued, accompanied by constant propaganda for joining. At the same time, hardships of the individual peasants were aggravated by increased taxes and stiffer crop collections.

The campaign for the LCF was greatly intensified during the second half of 1950. By the end of that year more than half of the peasant households and the tillable land were collectivized. The 5-year plan (1949-53) calls for collectivization of 60 percent of the land.

Evidence, however, comes from numerous sources that farmers are still resisting the pressure. Many members have filed for withdrawal, but officials are trying to convince them that the inconveniences they are now undergoing are only temporary.

State farms are not as important in Bulgaria as the Labor Cooperative Farms are. In May 1950 there were 90 state farms, embracing only about 2 percent of the country's tillable area.

Yugoslavia

In Yugoslavia before World War II the number of large estates was small: the principal land reform had taken place in 1918, when the present Yugoslavia was born. In 1931 less than 3 percent of the country's total landholdings had more than 49 acres each but these comprised 22 percent of the productive land. Most of the holdings (63 percent) ranged from 5 to 49 acres and comprised 71 percent of the productive land; 34 percent had less than 5 acres and comprised 7 percent of the productive land.

In August 1945 the Agrarian Reform Law was adopted, limiting the size of holdings to 49 acres of arable land, or, in exceptional cases, to 86 acres. Any excess was expropriated. Besides, all land belonging to peasants of German origin was confiscated outright. On some of the expropriated land, state farms were organized to serve as examples of efficient farming.

Land was distributed to poor peasants, many from the deficit regions of Montenegro and southern Serbia, who received their allotments with the understanding that the land was to be farmed cooperatively. This was an initial step toward collectivization. By December 1945 there were 31 such cooperatives in Yugoslavia.

In February of the following year, directions were issued for the creation and operation of collective farms, or Peasants' Work Cooperatives (law of July 18, 1946). Members were obliged to remain for a period of 3 years, and no peasant with more than average wealth could join without special approval of the membership.

The Peasants' Work Cooperatives (PWC) are not to be confused with the General Agricultural Cooperatives of the traditional type in Yugoslavia. The law of July 1946, however, took the first step toward tying General Agricultural Cooperatives to the socialist sector. Before the war these cooperatives gathered from their members their agricultural produce for cooperative sale and supplied them with consumers goods. The new law endorsed these cooperatives and provided that members could join their holdings for cooperative production as well as manufacturing, savings, and credit. Thus the evolution from the traditional type into the Producers' Work Cooperatives was made easy for any General Agricultural Cooperative that wanted to change.

The agrarian reform was not accomplished until 1947. During the time the reform law was being implemented, many peasants coming from deficit regions into areas with higher living standards made willing volunteers.

The Government had early declared that the method of collectivizing agriculture would be determined by "Yugoslav conditions" and a "voluntary acceptance of the collective way of life." But early in 1949 the Government began to intensify its campaign for establishment of PWC.

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[4] Law for expropriation of agricultural machinery was enacted in February 1948.

By May 1949 the law of 1946 had served its purpose in the initial development of PWC. At this time the new basic law on agricultural cooperatives was passed. It stipulated the forming of four types of PWC, in which peasants over 16 years of age are eligible for membership under a 3-year contract. Rich peasants may join if their attitude toward the state indicates respect for cooperative rules.

In Type 1, peasants contribute their land and receive rental for use of it. In Types 2 and 3, they receive shares for their land—interest-bearing in the former and non-interest-bearing in the latter.

In Type 4, peasants contribute their land and receive no compensation. The rules provide, however, that any member who leaves the cooperative may, upon approval of the membership, receive an area of land equivalent to that contributed. By midyear, 1950, only 5 percent of the PWC were in Type 4.

Members of all four types are permitted garden plots, not to exceed 2.5 acres, near their homes. Each household may retain some livestock and poultry, and a few beehives. In some regions a small pasture also may be retained.

Members must transfer to the collective all farm buildings, implements, draft and breeding animals, and fodder and seeds, except what they require for their personal use. A value is placed on all property contributed, for which members are to be paid within 10 to 15 years. All work is done by members except under special circumstances.

The law of 1949 also provided for the distribution of products. First, deliveries to the state had to be met, followed by payment of obligations such as wages to nonfarmers, administrative and depreciation costs, and payments to various cooperative funds. The remainder of the year's production was disposed as follows: collectives of Types 1 and 2 assigned part for rent or interest and divided what was left among their members according to their credit in workdays; Types 3 and 4, having neither rent nor interest to pay, divided all among their members, also by workday credits.

On June 21, 1951, new instructions on distribution of crops were published. They provide what shall be given to members after deductions have been made for threshing charges, for deliveries to the state, which should amount to 70–90 percent of the predetermined market surplus, and for quantities for seed and feed. From what remains, an amount based on fixed rations per member and per head of his livestock is set aside. From this amount each member is paid according to his workdays. This means that some members receive more and some less than the stipulated ration. Anything remaining is put into special cooperative funds.

All of an industrial crop except what is needed for seed must be delivered to the state.

By the end of 1950, 22 percent of all tillable land had been collectivized in Yugoslavia. In the Voivodina, the richest and most fertile area of the country, half of the tillable land had been collectivized. But pressure put on the peasants to achieve this gain had proved too strong. Marshal Tito indicated so in his 1950 New Year's speech: "Certain leaders have not always respected the principle of voluntariness and have inflicted damage on the development of agriculture." Later he indicated that the Government would slow down on collectivization and would concentrate on strengthening the collectives.

During the second half of 1950 a halt apparently occurred in collectivization. With the drought and the food shortage, the Government was more concerned with feeding the people.

In May 1951 compulsory deliveries of all products except grains, fats, wool, and industrial crops were abolished. The Government raised its prices for controlled commodities, but they were still considerably below free market prices [5] and, judging from reported resistance to 1951 grain deliveries, have been unsatisfactory to the farmers.

At the same time, PWC were granted the right to purchase industrial goods at lower prices than the individual peasants. In August they were freed of all State Bank debts that had resulted from improvements such as construction of buildings and acquisition of machinery.

All recent evidence points to renewed stimulation of collectivization. The above measures, however, have not been effective in getting peasants to join the collectives. Not only are they staying out, but many who are already in are trying to withdraw. The 3-year contracts of many members who joined during the vigorous 1948 drive expire at the end of this year.

In July of this year, however, Marshal Tito, although criticizing the internal organization of the Peasants' Work Cooperatives, left no doubt of their future, stating that "they are a vital necessity to our Socialist country and we cannot renounce them."

Hungary

Before the war Hungary had more land in large estates than any other Danubian country. In 1935, 48 percent of the land was in holdings larger than 142 acres (less than 1.0 percent of all holdings), and 11 percent was in holdings of 7 acres and less

[5] *See* Thomas M. Venables, "Yugoslavia's New Farm Marketing Scheme," *Foreign Agriculture*, August 1951.

Peasant family on a collective farm near Bileca, Yugoslavia. This family pastures its own sheep around its house.

(70 percent of all holdings). Holdings between 7 and 71 acres made up 35 percent of the land and 29 percent of all holdings.

A land reform law in March 1945 provided for expropriation of all land in holdings over 142 acres. Some exceptions were made, however: a farmer who worked his own land could have 284 acres; a distinguished soldier could have 427. From the expropriated land, allotments not to exceed 7 acres were made to the land-hungry peasants. Collectivization was not immediately introduced; the Government, busy nationalizing other branches of the economy, left the peasant more or less alone to produce food.

Cooperatives, largely of the market and credit types, had existed in Hungary for many years, but expansion of the whole system was started under the direction of the National Association of Cooperatives (MOSCK), which was organized in 1947.

By 1948, the first really good crop year after the war, the Government deemed that the time had come to collectivize agriculture. The press dwelt on the necessity of raising the peasants' living standards, asserting that it could be done only by mechanization and collectivization. And so the drive was on.

In December 1948 a decree was issued providing for Production Group Cooperatives within the general farmers' cooperatives. These new cooperatives were to operate under a license issued by the Ministry of Agriculture after consultation with the National Association of Cooperatives. Only members of farmers' cooperatives could join. Members were obliged to sign 3-year contracts. Anyone wishing to withdraw after his contract had expired could do so.

Production Group Cooperatives are divided into three classes.

In the first class, plowing and sowing are done collectively, but all other operations may be done individually. Members must contribute to the reserves and to the common costs of the group in proportion to the land they have contributed, and on the same basis receive their share of the net surplus.

A member is paid rent for the use of his draft animals or machinery.

In the second class, all farm operations are performed collectively, and the crops are distributed equally among all members after deductions have been made, regardless of the type of land.

The third class is characterized by complete collective production, with net income shared according to work performed and land contributed. Any member owning land is either paid a fixed rent or given a share in the income calculated on the basis of his area. Total amount paid out for rent, however, may not exceed 25 percent of the net surplus of the collective. Before income is distributed, deductions are made for all expenditures, reserve funds, and capital investments. The remainder is then divided according to the work units credited each member. A member may keep about 2 acres of land for private cultivation but must turn draft animals over to the collective, which reimburses him.

All three classes must make deliveries of farm products to the state, based on total acreage, amount of tillable land, and the land tax. To stimulate interest in these cooperatives, the Government grants reductions in deliveries: 10 and 15 percent, respectively, to the first and second class; a greater reduction to the third.

The campaign for Production Group Cooperatives was intensified during 1949 and 1950. In 1949 much publicity was given the visit to the Soviet Union by peasants who had returned praising the "wonders" of collective farming. The campaign against the kulaks also grew stronger.

Apparently the experiment of forced collectivization in Hungary had not met with the desired success in achieving greater production. The 1950 drought added to the difficulty. On March 10, 1951, a ban was placed on the establishment of new Production Group Cooperatives. This ban, however, was lifted when a good harvest became a certainty. During the time when it was in effect, decisions were made to strengthen the cooperatives by offering credit for seeds, livestock, building, irrigation, and so forth. To further stimulate interest, another

TABLE 1.—*Collective farms: Number, membership, and area of tillable land, in specified Danubian countries, at specified times, 1944–50*

Country and date	Number of collective farms	Households belonging to collective farms			Tillable land in collective farms			
		Total		Per farm, average	Total		Per farm, average	Per household, average
		Number	Percent of country's total households[1]		Area	Percent of country's tillable land[2]		
		Thousands		*Number*	*1,000 acres*		*Acres*	*Acres*
Bulgaria (Labor Cooperative Farms):								
1944, December	147	10	0.9	68	79	0.7	537	7.9
1945, December	425	43	3.9	101	393	3.6	925	9.1
1946, December	444	47	4.3	106	417	3.8	939	8.9
1947, December	537	48	4.4	89	443	4.0	825	9.2
1948, December	1,100	79	7.2	72	722	6.6	656	9.1
1949:								
June	1,563	[3]	[3]	[3]	1,337	12.2	855	[3]
December	1,605	161	14.6	100	1,384	12.6	862	8.6
1950:								
June	1,781	[3]	[3]	[3]	1,992	18.1	1,118	[3]
December	2,568	564	51.3	220	5,535	50.3	2,155	9.8
Yugoslavia (Peasants' Work Cooperatives):								
1945, December	31	[3]	[3]	[3]	[3]	[3]	[3]	[3]
1946, December	454	25	1.1	55	300	1.2	661	12.0
1947, December	779	41	1.8	53	521	2.1	669	12.7
1948, December	1,318	60	2.6	46	801	3.2	608	13.4
1949:								
June	4,535	226	9.8	50	3,067	12.3	676	13.6
December	6,626	341	14.8	51	4,547	18.2	686	13.3
1950:								
June	6,971	415	18.1	60	5,332	21.3	765	12.8
December	6,988	415	18.1	59	5,475	21.9	784	13.2
Hungary (Production Group Cooperatives):								
1948, December	90	1	.04	11	[3]	[3]	[3]	[3]
1949:								
June	584	13	.6	22	119	.7	204	9.2
December	1,500	39	1.8	26	497	3.0	331	12.7
1950:								
June	[3]	46	2.1	[3]	685	4.2	[3]	14.9
December	[3]	90	4.1	[3]	1,153	7.1	[3]	12.8
Rumania (Collectives):								
1949:								
July	15	[3]	[3]	[3]	[3]	[3]	[3]	[3]
December	55	[4]4	.1	73	34–37	.1	629–673	[4]8.6–9.3
1950:								
July	729	35	1.1	48	[3]	[3]	[3]	[3]
December	1,029	66	2.1	64	662	2.3	644	10.0

[1] For the first 3 countries, based on estimated number of households: Bulgaria, 1.1 million; Yugoslavia, 2.3 million; Hungary, 2.2 million. For Rumania, based on number of households in 1948 census—3.1 million.

[2] Based on total prewar tillable or arable land (plowland, meadows, vineyards, orchards, and gardens) within present boundaries: Bulgaria, 10,998,000 acres; Yugoslavia, 24,992,000 acres; Hungary, 16,336,000 acres; Rumania, 28,572,000 acres.

[3] Not available.

[4] Estimated.

delegation of peasants was sent to the USSR to see how collective farms operate.

The 5-year plan (1950–54) envisages far-reaching measures of aid to Production Cooperatives. Although the drive may move at a slower pace, renewed effort apparently has been made to develop these Production Cooperatives, which, according to Minister of State Gero, "aim at the realization of collective land cultivation in the form of large-scale socialist farming."

Rumania

Although Rumania before World War II had a larger percentage of land in large estates than either Yugoslavia or Bulgaria, it was fundamentally a country of small holdings. It has been reported that just before World War II about 98 percent of the holdings each had 49 acres or less and made up about 72 percent of the arable land. Less than 0.5 percent of the holdings had more than 124 acres, comprising 20 percent of the arable land.

On March 22, 1945, the new Communist-dominated Government enacted the Agrarian Reform Law, limiting the size of land holdings to 124 or 148 acres. Under that law, land and equipment were expropriated without compensation. Land was distributed in 12-acre allotments to landless agricultural workers. To peasants owning less than 12 acres, allotments were made to bring their property to that size.

The Agrarian Reform Law, although increasing the number of holdings, did nothing to solve the problem of fragmentation. Most of the peasant holdings consisted of scattered strips. Many were several kilometers apart and lay in opposite directions from the village, making efficient operation impossible.

In October 1948 the Agricultural Machine and Tractor Station Headquarters (SMT), a separate agency for the administration of tractor stations, was set up in the Ministry of Agriculture. In February 1949, as an incentive, a reduction of 10 percent on the use of SMT machinery was offered peasants who organized for communal tilling of their land. Groups associating themselves into production cooperatives, which more closely resembled the real collectives, were offered a 20-percent reduction.

Thus, even before the first collectives were organized in July 1949, steps were being taken toward collectivization. Groups of small peasant farmers formed tillage associations to take advantage of the reductions offered. By March, according to the press, more than 1,200 of these associations, comprising 30,000 peasant families, had been formed.

During March 1949 a resolution was adopted committing the Government to collectivization of agriculture. The resolution states that collectivization would not be achieved abruptly but that proper conditions would first be established among the peasants.

TABLE 2.—*Collective farms and state farms: Number, and area of tillable land in each, in specified Danubian countries, December 1950*

Country	Number of farms		Tillable land					
			Collective farms		State farms		Total	
	Collective farms	State farms	Area	Percent of country's tillable land [1]	Area	Percent of country's tillable land [1]	Area	Percent of country's tillable land [1]
			1,000 acres		*1,000 acres*			
Bulgaria	2,568	[2] 90	5,535	50.3	[2] 210	[2] 1.9	5,745	52.2
Yugoslavia	6,988	[3] 200	5,475	21.9	[3] 1,447	[3] 5.8	6,922	27.7
Hungary	(4)	(4)	1,153	7.1	1,170	7.2	2,323	14.3
Rumania	1,029	(4)	662	2.3	[5] 2,105	7.4	2,767	9.7

[1] Based on total prewar tillable or arable land (plowland, meadows, vineyards, orchards, and gardens) within present boundaries: Bulgaria, 10,998,000 acres; Yugoslavia, 24,992,000 acres; Hungary, 16,336,000 acres; Rumania, 28,572,000 acres.
[2] May 1950.
[3] Approximation of large state farms, excluding many of lesser importance.
[4] Not available.
[5] October 1950.

In July 1949 the Assembly ratified a decree giving the state the right to expropriate all farms that had been left as model farms as well as those that had been reduced to 124 or 148 acres at the time of the original Agrarian Reform Law. Some of this land was used for state farms and for distribution among the peasants.

The campaign against the kulaks was intensified. The March resolution barred them from joining the collectives even if they so desired. On July 8, 1949, a progressive tax law was enacted that increased the burden on the kulaks but reduced by 25 percent the tax on members of tillage associations.

Finally, in July 1949, the first 5 full-fledged collective farms were inaugurated. These collectives closely resemble the Russian kolkhozy. Each household is permitted to keep its dwelling, 0.6 to 1.2 acres for growing vegetables, a cow, a few sheep, poultry, necessary farm tools, and shelter for the animals.

Emphasis on the expansion of collective farming and the consolidation of existing farms seems to be increasing. As in Hungary, a delegation of peasants visited the Soviet Union in 1949 and again in 1950 to study the collective farm system. To further attract peasants into collectives, the Government has granted low interest rates and a 2-year exemption from taxes.

Despite a relatively rapid growth in collective farms, at the end of 1950 only a little more than 2 percent of Rumania's agricultural households and tillable land were in collectives. The whole socialist sector, including state farms, accounted for only about 10 percent of the country's tillable land.

U. S. Fact-Finders Abroad

by QUINCY EWING

The official eyes and ears, and sometimes the voice, of United States agriculture abroad consist of 72 agricultural officers of the United States Foreign Service—attachés and others. Although their duties are many and broad, these officers are, in fact, agricultural reporters, sent out to gather information on the countries to which they are assigned. They report to the United States, either in person or in writing; and their information is useful not only to the Government but to all United States producers, marketers, and consumers of agricultural products.

Last winter the United States Congress called one of these reporters back to Washington to tell House and Senate committees exactly what were the effects of the 1950 drought in Yugoslavia. The Congress was considering an appeal from that country—the only Communist country that had broken with Moscow—for feed and food to relieve an emergency. That appeal, if justified, presented an opportunity to relieve human suffering and win friends.

The agricultural attaché at Belgrade, once a Montana agriculturist and an experiment station director, came home to tell the Congress the facts. He talked in simple earthy language about the ravages of the Yugoslavian drought, speaking from knowledge gained through personal observation of all parts of the country and from conversations with scores of farmers. He furnished the figures on production and supply that represented the background for the request for help. His testimony gave Congress a basis for action.

Later in the winter the House Foreign Affairs Committee also needed sound information on conditions in yet another country. A request had come in for 2 million tons of grain to relieve hunger in India, where crops were damaged in 1950 by floods, drought, and other calamities. First-hand facts were wanted. The agricultural counselor at the American Embassy at New Delhi was asked to come to Washington to supply them. He came, discussed India's situation fully before the Committee, and thus furnished the factual background for proper Congressional consideration of the Indian grain request.

The authoritative data furnished by the United States agricultural officers in connection with the Yugoslavian and Indian relief requests tended to focus greater attention upon the service given by these agricultural reporters. They are stationed at 53 diplomatic posts but have fact-finding responsibility for 62 countries. They are trained agricultural specialists with practical farm backgrounds. Every year they transmit to Washington a heavy volume of information about world agriculture. Their service provides a day-to-day knowledge of factors in the immediate and prospective supply of farm products and in the demand for them—especially products that the United States exports or imports.

This information is supplemented by reports from many diplomatic posts where agricultural officers are not stationed. All in all, about 50,000 reports and cables reach the State Department every year; and the State Department makes these available to other United States Government agencies, where the information they contain is evaluated and analyzed for use and for dissemination to the public.

Specific facts transmitted by United States agricultural officers include facts about planted acreages, weather conditions, crops and livestock, price trends, stocks, agricultural exports and imports, consumer purchasing power, and supplies of farm labor, seed, fertilizer, and farm equipment. This flow of information makes it possible to keep under constant study the effects of all developments in foreign agricultural policy as well as the influence of United States agricultural and trade policies on international farm trade.

United States reporting of world crop and livestock statistics is based on a schedule prepared annually in the United States Department of Agriculture. This is the timetable that the reporting officers abroad follow in transmitting their reports. Each report is required by a certain date—a date that is synchronized with the needs of United States producers to aid them in their production and marketing decisions.

This agricultural reporting is not always a matter of obtaining official Government figures or other publicly available data in the countries where the

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Agricultural Attaché Graham Quate, Thailand, discusses with a local expert the quality of stick-lac, from which shellac is made.

officers are stationed although in many countries much information is obtained in just that way. Reporting conditions vary widely in different parts of the world. Some countries cooperate in making their data available; others do not. Many countries have no agricultural statistics at all. Over many expansive underdeveloped areas of the world geographical and educational problems and obstacles make it difficult for the United States agricultural officer to apply the normal techniques incident to accurate statistical reporting.

If the country to which an agricultural attaché is assigned has a well-developed agricultural statistical service, the reporting problem is simplified: the attaché establishes a reciprocal working relationship with local government officials and obtains from them the information he needs. In exchange he gives them data from the United States Department of Agriculture. In addition to making contacts with local Government officials, the attaché goes also to private trade sources such as warehousemen, processors, and exporters and trade officials. With them he exchanges official estimates of United States production for whatever information they may have to give. Assembling this solid core of agricultural facts is rarely a one-man job in any diplomatic post. Most reporting officers receive help from assistants.

Foreign agricultural reporting often calls for resourcefulness, initiative, and energy, particularly in countries where statistics are not available. Agricultural attachés frequently have to go into rugged, isolated country to make their own estimates, traveling by jeep, horse, and even by foot. They gather statistics by interviews with farmers, travelers, migrant traders, headmen in villages, and by other informal ways. In one country where local statistics were lacking, the attaché made annual train trips to check the variation in acreages of rice, wheat, cotton, tobacco, and other crops. He would count telegraph poles along the track opposite each kind of crop; and this count would furnish comparative estimates of the year-to-year acreage changes. Besides, when correlated with the attaché's knowledge of growing weather and his on-the-spot investigation of conditions, it would afford further indication of prospective production.

When the Government of Argentina blacked out, or refused to disclose, its agricultural statistics during the greater part of 1949–50, on the theory that its international marketing would thus be improved, it placed an added burden upon the agricultural staff of the American Embassy in Buenos Aires. This staff, which has a heavier reporting schedule than the agricultural staff of any other diplomatic post, had to and did get its data from whatever reliable nongovernment sources it could develop. As a result, statistics on Argentina's important production and stocks of such commodities as wool, wheat, corn, meat, and flaxseed continued to flow to the United States.

In one sugar-producing country the agricultural attaché arranged to obtain production data from

each mill operator with the understanding that he would furnish the operator with whatever totals he was able to obtain. These totals, of course, would indicate the production of the entire country.

A United States agricultural attaché gives as well as gets. In a certain country an agricultural officer calling upon a potential local contact noticed that his host had in his office samples of local wheat.

"What varieties of wheat grow best in this country?" he asked.

"Oh, they all grow about the same," was the reply.

The attaché suggested selective planting to determine the best varieties. And the official, who acted upon the suggestion, was delighted with the results. Later the attaché arranged to obtain some new varieties from the United States, further establishing personal and international good will.

Agricultural attachés are often called upon by officials and citizens of the countries where they are assigned to give advice or assistance in initiating agricultural improvements. They also play a leading part in the negotiations and implementation of Point Four agreements for technical assistance.

Of what value to United States agriculture is the information furnished by these agricultural officers?

One use is as the statistical core of the world summaries of crop and livestock statistics published by the United States Department of Agriculture at scheduled intervals throughout the year.

In September 1950, for instance, a summary estimating the 1950–51 world cotton crop on the basis of information furnished by agricultural officers was published. It told American cotton producers, handlers, and marketers that the crop would probably amount to 27.4 million bales, or about 4 million bales less than the prospective world consumption. The forecast brought into sharp focus the world need for cotton, showed why world cotton prices were soaring, and provided a basis for the United States Government program to increase greatly domestic cotton production. This and other information from United States agricultural officers helped form the basis also for the United States cotton export allocation program.

Subsequent reports from agricultural officers made possible the publication of a second scheduled summary on May 14, providing the United States cotton trade with more recent facts in the changing world cotton situation. This later summary showed that the gap between production and consumption for 1950–51 had widened to 5.5 million bales. It served, therefore, to intensify the United States domestic production effort.

Summaries of the world production of tobacco have helped the United States tobacco growers to adjust their acreage to probable demand, and also have helped the planning and administering of Government tobacco acreage allotment programs. United States Foreign Service reports of fluctuations in tobacco production, and of changes in the volume and character of consumer demand in various countries and regions, consistently help the domestic tobacco trade to find new foreign markets, or adjust its foreign marketing pattern to conform to conditions. After World War II the future of the world market for American-type tobacco was uncertain. Information from abroad, however, showed that consumer preference was changing and that foreign tobacco users were switching from foreign leaf to American tobacco and cigarettes because members of the United States armed forces had generously offered smokes to foreigners in different parts of the world and thus unconsciously acted as salesmen of American tobacco. Knowledge of that switch in foreign taste—which is continuing—gave tobacco producers an idea of what to expect. The foreign market has continued good and American producers have gaged their production accordingly.

In the fall of 1949 the world coffee market became erratic. Prices shot up as fear spread that stocks and production were falling too far behind. There was a run on the market, and too much buying for purely speculative reasons threatened the stability of the world coffee trade. Consumers, traders, a United States Senate subcommittee, and others wanted to know the statistical facts.

The United States Foreign Service reports supplied them. These reports from the coffee-producing countries showed there was a sufficiently large present and potential supply of coffee to meet world needs, but that some increase in prices could be expected because of rising demand and smaller production. Publication of this data had an important role in removing fears of acute shortage. Responsible members of the coffee industry, greatly preferring gradual increase in coffee demand to speculative market fluctuations, appreciated the statistical clarification.

Thus, the agricultural reporting system operating through the United States Foreign Service functions to keep the United States in touch at all times with what is going on in today's one-world of agriculture.

International Farm Organization Meets in Mexico

by ANA M. GOMEZ

Keynote of the recent meeting of the International Federation of Agricultural Producers was the continued need for organization to enable the world's farmers to respond to changing agricultural conditions and needs. As proof, Federation members pointed to the quick changes taking place in the present agricultural scene—a year ago surpluses seemed imminent; the need now is for increased agricultural production.

The meeting was IFAP's fifth annual conference. Following the policy of gathering each year in a different member country, Federation members met this year in Mexico City. The conference was attended by delegates from 20 member countries and observers from 16 nonmember countries, as well as by representatives from nearly a dozen international organizations. Of the nonmember countries attending, 13 were from Latin America. Until this meeting, no Latin American country other than Mexico had ever attended. Holding the conference in Mexico City provided an opportunity for Central and South American countries to become acquainted with IFAP and may well have encouraged many of them to join it.

The conference was formally opened by the president of IFAP, H. H. Hannam of Canada, on May 29. He spoke of the changes in world conditions that had taken place during the past year and of the ways in which such changes have affected farmers. He emphasized the need for stability in markets and prices at the international level and expressed disappointment at the failure of governments to carry out a program designed to bring it about.

Three committees carried out the work of the conference: a constitution and membership committee; a policy committee; and a subcommittee of the latter, on agricultural cooperation and rural welfare.

The constitution and membership committee prepared a report that was optimistic both as to the present financial position of the organization and as to its outlook for the future. With an effective balance on hand almost twice that of the previous year, and an expected increase in the income from subscriptions during 1951–52, the committee felt justified in recommending a budget that provided additions to the staff and reinstituted the Federation's News Bulletin. It was also agreed that the Federation should maintain permanently the two offices it has at present, in Washington and in Paris.

A proposal that the general meetings of the organization be held every 2 years instead of annually was considered, but the majority was clearly in favor of annual meetings if resources were available.

The first resolution of the policy committee was a declaration of adherence to the principles of freedom and independence and of loyalty to the United Nations. All its resolutions were affected by the present international emergency and its impact on world agricultural development.

The committee agreed that the problem facing the world's agricultural producers now is not the same one that faced them at last year's conference. It is not a problem of impending surpluses but of a need for increased production of food, fibers, and essential industrial products. The committee therefore declared that agricultural producers should exert even further efforts to achieve maximum production. At the same time it recognized that the world position could change suddenly from one of "extended production effort to one of threatening underemployment of resources."

On the subject of governmental controls of agricultural production and trade, it was agreed to recognize the need for an extension of controls in the event of a third world war but to appeal to governments not to impose such controls prematurely.

The question of commodity agreements aroused much interest among the delegates. The committee declared that it favors "where practicable, the negotiation of international agreements, similar to the Wheat Agreement, on staple agricultural and non-agricultural primary products, containing negoti-

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ated provisions for floor and ceiling prices, for specified purchases and sales in each production year, and for the accumulation of reserve stocks and their insulation from the market except under stated conditions."

Support for the basic principles of the International Wheat Agreement seemed to be unanimous within the committee. But disapproval was expressed of some of its clauses, particularly those providing a fixed range in prices.

The committee's report was decidedly in favor of an international commodity clearing house like the one FAO considered in 1949. It also expressed its support of the Havana Charter. Since there seems little hope that the Charter will be ratified soon, it was recommended that some of its provisions be incorporated into the General Agreement on Tariffs and Trade. The recommendation included articles relating to export subsidies, special treatment for primary commodities, and preferential agreements for economic development and reconstruction, and the chapter concerning intergovernmental commodity agreements for primary products.

The committee strongly endorsed the efforts of the Governments of France, the United Kingdom, and the United States to establish an International Materials Conference and resolved to instruct the Secretariat of IFAP to ask whether observers from FAO and IFAP might attend meetings of the committees on agricultural products.

In view of the strong feeling about the great multiplicity of official agencies in the international field, a resolution was adopted instructing the Secretariat of IFAP to make such representations to the Economic and Social Council of the UN (ECOSOC) "as would result in a reduction of the duplication of work, overloading of agenda, confusion, and loss of time and taxpayers' money which has characterized the proceedings of the ECOSOC and its subordinate bodies to date."

Another problem that received a great deal of the committee's attention was that of the underdeveloped areas of the world. The resolution adopted on this subject instructs the Secretariat to "make continuous representations to all international organizations that the expansion of world productive capacity through vastly speeded up financial investment by developed nations in the underdeveloped areas of the world is essential to liberty, freedom, and world peace and should be initiated immediately on a large scale." Member organizations were urged

Delegates to the IFAP Conference visit the National School of Agriculture of Mexico at Chapingo.

to bring to the attention of their governments the need for programs of development and investment in underdeveloped areas. The committee also stated that such investment should be private, whenever possible, and should be encouraged in each country by national legislation.

In another resolution on this subject the committee declared that agricultural producers are "determined to play their full part . . . to organize and, where possible, to pool the human, technical, and capital resources of the world to start in motion in all of the free underdeveloped countries of the world the creative forces required to expand production and thereby raise living standards." In this connection, the committee reaffirmed the support of IFAP for the technical assistance program of the UN.

The problem of land tenure was considered by IFAP for the first time. A resolution pledges support to "the development, adoption, and implementation by nations of equitable systems of land ownership and land tenure, farm taxation, and agricultural credit" and declares that IFAP will urge FAO to give priority to requests for technical assistance on agrarian reform programs.

The promotion of schemes to facilitate the emigration and immigration of agricultural workers was also a subject of interest. The delegates of the Netherlands and Germany presented statements on the need of their farm workers to find areas to which

to emigrate. On the other hand, the delegates of Canada, Australia, and Mexico expressed the desire of their countries to receive such emigration and described the facilities available. The resolution adopted urges member organizations of IFAP to establish liaison committees to work with their governments to improve existing programs and, where possible, to expand them. It also instructs the Secretariat to inquire into the possibilities for the International Bank for Reconstruction and Development to provide the financial resources.

Important on the committee's agenda was consideration of the report by IFAP's Committee on European Economic Recovery. It was well received, but there was some disagreement among European delegations on the question of the economic integration of Europe and the establishment of a common market for agricultural products. One group, led by France, favored the integration of European agricultural markets by a supranational authority. Another group, represented chiefly by the United Kingdom, preferred the handling of the problem on an intergovernmental basis and strongly favored a series of intergovernmental commodity agreements for all basic foods, along the lines of the International Wheat Agreement but with a flexible price range. When such agreements are not practicable, this group would favor tariff or other measures arrived at on a national basis. In view of this disagreement, the Committee on European Economic Recovery was asked to study the proposals for another year.

The Federation of Rural People's Organizations of India appealed to the policy committee for food to help solve the problems of famine facing that country. The committee recommended that member organizations make representations to their governments supporting India's appeal and that they notify the Secretariat of IFAP as soon as possible of the aid they are able to give. It was also recommended that, in view of the chronic nature of food shortages in India, member organizations of IFAP "take advantage of every opportunity open to them to promote the sympathetic consideration by governments and the international organizations concerned of India's need for the technical help and capital goods required to expand her area of arable land and increase her unit yields of grain."

The subcommittee on agricultural cooperation and rural welfare adopted several important resolutions:

1. Continuation by IFAP of its international study sessions on cooperation.

2. Vigorous development by farm cooperatives of their educational and informational services.

3. Development of a continuous policy in the field of public relations.

4. Setting up a library of films on farm cooperatives within the IFAP Secretariat to be loaned to organizations participating in the scheme, and the making of an international film on agricultural cooperation.

5. Inviting FAO and ILO to consider, under the expanded program of technical assistance, the sending of small missions of European and American farm cooperative leaders to India and any other countries whose governments may request it, to study matters relating to rural cooperatives.

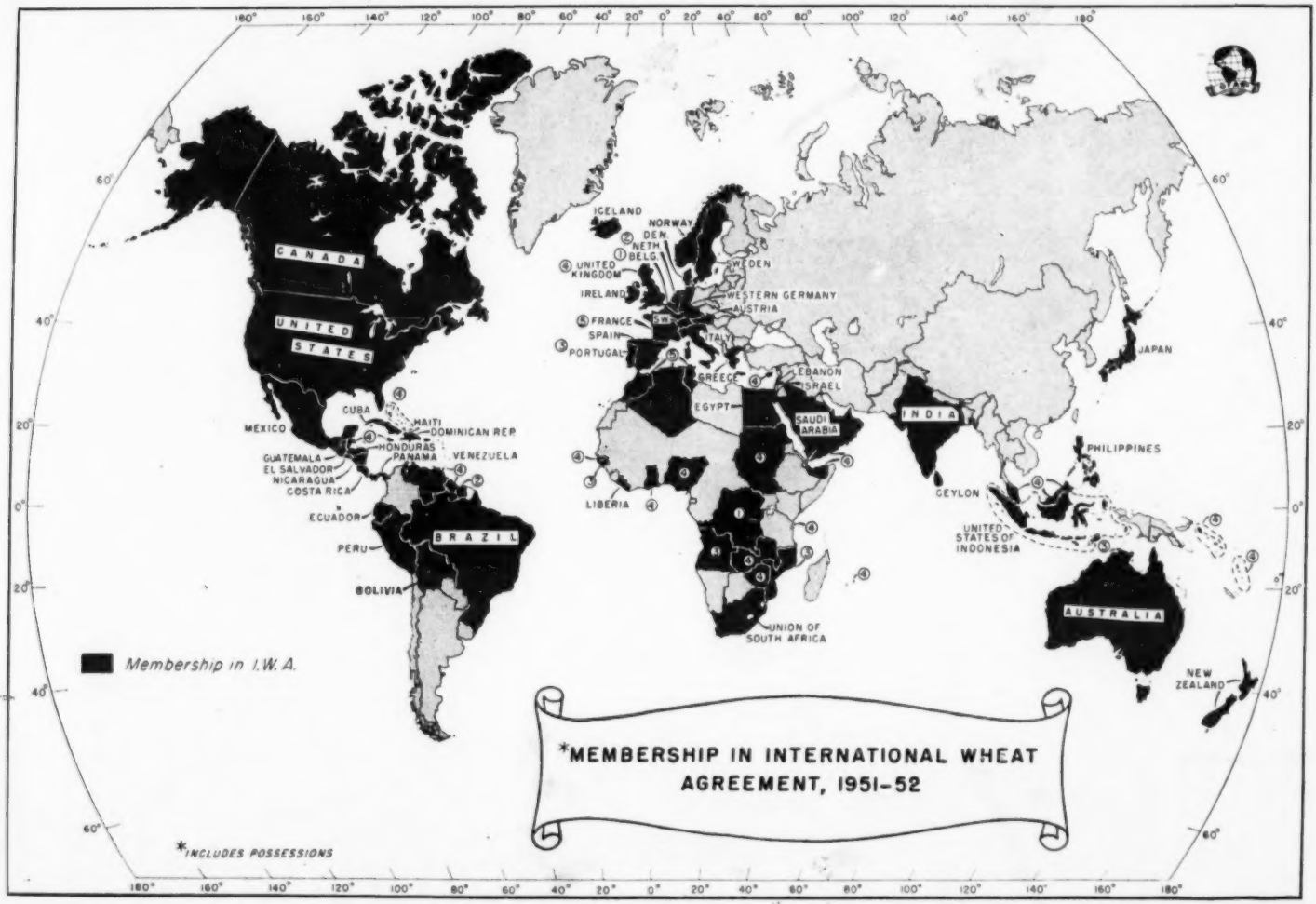
6. Study of the possibilities of expanding international trade between cooperatives.

7. Expanding to nonmember countries, under the same conditions as are now required for member countries, the program for the international exchange of young agriculturists and rural youth.

The program of the international exchange of young agriculturists and rural youth is considered one of IFAP's most successful activities. A full report was received of exchanges during the preceding year and of those planned for the coming year from member organizations in Canada, Denmark, Netherlands, Norway, Sweden, United Kingdom, and United States. The observer from Yugoslavia expressed the interest of his country in taking part in the program and the Indian delegate appealed to member organizations in other countries to place young Indians wishing to practice farming abroad.

The plenary session closed with the unanimous approval of committee reports and the election of officers for 1951-52. Pierre Martin of France was elected president by acclamation. Three vice-presidents were elected: A. B. Kline of the United States, G. Rossouw of South Africa, and Count van Lynden Van Sandenburg of the Netherlands.

The conference was officially closed by President Miguel Alemán of Mexico. At a farewell luncheon the president of the Mexican member organization, the Asociación Nacional de Cosecheros, expressed the satisfaction of Mexican farmers at having had the opportunity to meet the representatives of agricultural organizations throughout the world and to discuss mutual problems with them in an atmosphere of friendliness, freedom, and cooperation.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